



United States Department of the Interior

MINERALS MANAGEMENT SERVICE

Washington, DC 20240

MAY 23 1997



OFFICIAL
FILE COPY

Mr. Ronald L. Jones
Vice President
American Petroleum Institute
1220 L Street, NW.
Washington, D.C. 20005

Dear Mr. Jones:

received
7-10-97 JMB

SURNAME
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Thank you for your May 1, 1997, letter to Assistant Secretary Armstrong regarding our proposed rules on Oil Spill Financial Responsibility for Offshore Facilities (OSFR). The Minerals Management Service has considered the comments made by the American Petroleum Institute and others about holding a workshop and extending the time period for public comment. In consideration of those comments, we have decided to sponsor a public workshop in New Orleans, Louisiana, on June 5, 1997, and extend the comment period 60 days to August 22, 1997. More information about these actions is included in the Federal Register notice published on May 5, 1997 (copy enclosed). This should give your member companies and other interested parties the additional information and time needed to formulate comprehensive comments on our OSFR proposal.

We look forward to hearing from you. If we can be of further assistance, please let us know.

Sincerely,

Cynthia Quarterman

Cynthia Quarterman
Director

Enclosure

cc: Albert Modiano, Mid-Continent Oil and Gas Association
Barry Russell, Independent Petroleum Association of America
Robert B. Stewart, National Ocean Industries Association
R.D. Pitre, Offshore Operators Committee

bcc: MMS Gen File
AS/LM
Dir's Chron
Official File (102-02a-ENV-6)
AD/OMM
✓PSB File

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DIRCU-7-2125
AS-1537

addresses of cc's

Mr. Albert Modiano
Vice President
Mid-Continent Oil and Gas Association
801 Pennsylvania Avenue, NW., Suite 840
Washington, D.C. 20004-2615

Mr. Barry Russell
Senior Vice President and General Council
Independent Petroleum Association of America
1101 16th Street, NW.
Washington, D.C. 20036

Mr. Robert B. Stewart
President
National Ocean Industries Association
1120 G Street, NW., Suite 900
Washington, D.C. 20005

Mr. R.D. Pitre
Chairman, Executive Subcommittee
Offshore Operators Committee
P.O. Box 50751
New Orleans, LA 70150

of about eleven years from the date of importation.

It is noted that the same sentence discussed above on page 19705 also contains a typographical error by repeating the same clause that is being corrected in this document twice at the end of the sentence.

An additional error occurred in the "Other Sections Affected" portion of the background discussion. In the third column of page 19706, in the second full paragraph, the document refers to the definition of records in "§ 111.1(f)". The listing of definitions in § 111.1 has been alphabetized and the reference to paragraph (f) was inadvertently retained. It should be removed. This oversight was also repeated in the text of the proposed amendment itself. In the center column of page 19708, in the proposed amendment of § 111.23(a), the reference to § 111.1(f) should read simply § 111.1.

Corrections of Publication

Accordingly, the document (FR Doc. 97-10130) published in the **Federal Register** on April 23, 1997 (62 FR 19704) is corrected as set forth below:

Corrections of the Background Section

1. On page 19705, in the center column in the first full paragraph, the second sentence should be removed and in its place, the following should be inserted: "It is noted that with this retention period for drawback records, it is possible that the total retention requirement for drawback records could extend to about eleven years from the date of importation. (A drawback claimant has the ability to file a claim up to almost eight years from the date of importation: the export on which the claim is made may occur up to five years from the date of importation and the claim can be filed within three years from the date of exportation. The recordkeeping requirement runs from the date of payment, including a payment made under the accelerated payment program. If the claimant takes advantage of the full eight-year period and Customs pays the claim under the accelerated payment program, the supporting records must be kept three years from that payment date: a period of about eleven years from the date of importation.)"

2. On page 19706, in the third column, in the second full paragraph, in the fourth line, the reference to "records in § 111.1(f)" is corrected to read "records in § 111.1".

Correction to Proposed Regulation

1. On page 19708, in the center column, in § 111.23(a)(1), in the second

and third lines, the phrase "defined in § 111.1(f)" is corrected to read "defined in § 111.1".

Dated: April 29, 1997.

Stuart P. Seidel,

Assistant Commissioner, Office of Regulations and Rulings.

[FR Doc. 97-11545 Filed 5-2-97; 8:45 am]

BILLING CODE 4820-02-P

DEPARTMENT OF THE INTERIOR

Minerals Management Service

30 CFR Part 253

RIN 1010-AC33

Oil Spill Financial Responsibility for Offshore Facilities

AGENCY: Minerals Management Service (MMS), Interior.

ACTION: Extension of comment period for proposed rule, and announcement of a public workshop.

SUMMARY: This notice extends to August 22, 1997, the deadline for submitting comments on the proposed rule on Oil Spill Financial Responsibility for Offshore Facilities (OSFR). Also, this notice announces that MMS will hold a public workshop on the proposed rule on June 5, 1997, at New Orleans, Louisiana.

DATES: We will consider all comments received by August 22, 1997, and we may not fully consider comments received after August 22, 1997. The public workshop will be held on June 5, 1997, at 9:00 a.m.

ADDRESSES: Mail or hand-carry written comments to the Department of the Interior; Minerals Management Service; 381 Elden Street; Mail Stop 4700; Herndon, Virginia 20170-4817; Attention: Rules Processing Team. We will hold the public workshop at the MMS Gulf of Mexico Region Office, 1201 Elmwood Park Boulevard, Room 111, New Orleans, Louisiana.

FOR FURTHER INFORMATION CONTACT: Ray Beittel, Performance and Safety Branch, at (703) 787-1591.

SUPPLEMENTARY INFORMATION: MMS was asked to extend the deadline for submitting comments on the proposed OSFR rule published on March 25, 1997 (62 FR 15639). The request explains that more time is needed to allow respondents time to prepare detailed and comprehensive comments.

MMS was also asked to sponsor a public workshop on the proposal for the purpose of clarifying certain parts of the proposal and answering technical questions on how it was developed.

Dated: April 29, 1997.

E.P. Danenberger,

Chief, Engineering and Operations Division.

[FR Doc. 97-11558 Filed 5-2-97; 8:45 am]

BILLING CODE 4310-MR-M

DEPARTMENT OF THE TREASURY

Fiscal Service

31 CFR Part 356

[Department of the Treasury Circular, Public Debt Series No. 1-93]

Sale and Issue of Marketable Book-Entry Treasury Bills, Notes, and Bonds

AGENCY: Bureau of the Public Debt, Fiscal Service, Department of the Treasury.

ACTION: Proposed rule.

SUMMARY: The Department of the Treasury ("Treasury" or "Department") is proposing for comment an amendment to 31 CFR Part 356 (Uniform Offering Circular for the Sale and Issue of Marketable Book-Entry Treasury Bills, Notes, and Bonds). This proposed amendment makes the necessary changes to accommodate three decimal bidding, in .005 increments, and a reduction in the net long position reporting threshold amount for Treasury bill auctions. The proposed rule also makes certain technical clarifications and conforming changes.

DATES: Comments must be received on or before June 4, 1997.

ADDRESSES: This proposed amendment has also been made available for downloading from the Bureau of the Public Debt home page at the following address: www.publicdebt.treas.gov. Written comments should be sent to: Government Securities Regulations Staff, Bureau of the Public Debt, 999 E Street N.W., Room 515, Washington, D.C. 20249-0001. Comments may also be sent through the Internet to the Government Securities Regulations Staff at commoffc@bpd.treas.gov. When sending comments through the Internet, please use an ASCII file format and provide your full name and mailing address. Comments received will be available for public inspection and downloading from the Internet and for public inspection and copying at the Treasury Department Library, Room 5030, Main Treasury Building, 1500 Pennsylvania Avenue, N.W., Washington, D.C. 20220.

FOR FURTHER INFORMATION CONTACT: Ken Papj (Director), Lee Grandy or Kurt Eidemiller (Government Securities Specialists), Bureau of the Public Debt,

cc: Rur Bob
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Anne

May 1, 1997

Mr. Bob Armstrong
Assistant Secretary, Land and Minerals Management
Department of the Interior
Mail Stop 6628
1849 C Street, NW
Washington, D.C. 20240

The Minerals Management Service (MMS) Notice of Proposed Rulemaking for Oil Spill Financial Responsibility Requirements for Offshore Facilities, 62 Federal Register 14052 (March 25, 1997).

Dear Mr. Armstrong:

The America Petroleum Institute (API), the Independent Petroleum Association of America (IPAA), the National Mid-Continent Oil & Gas Association, the National Ocean Industries Association (NOIA), and the Offshore Operators Committee (OOC) hereby request a 90-day extension to the public comment period for the above-captioned proposed rule. Our organizations represent both the major and independent exploration and production (E&P) sectors of the U.S. petroleum industry. As such, our members have a direct interest in the offshore facility financial responsibility regulations resulting from this important rulemaking.

The basis of our extension request is the insufficiency of the 90-day comment period provided for in the March 25, 1997 Federal Register notice. Due to the complexity of a number of issues involved in this proposal which ultimately may have a considerable impact on offshore and nearshore operations, the thorough analysis and input specifically requested by MMS cannot be completed within the 90-day timeframe allotted. Specifically, there are a number of reports and technical support documents that may be of significance in responding appropriately to this rulemaking which are only available from MMS via special request -- a necessary, but time consuming process.

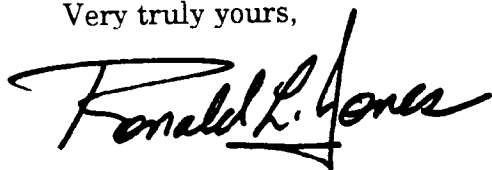
For example, §253.21 through §253.28 of the proposed rule establishes two methods for qualifying as self insurers: a net worth test and a test involving the pledge of unencumbered assets. The formulae for calculating the level of self insurance a party qualifies for under each method has been revised from that used under 33 CFR Part 135. MMS has specifically requested comments on the formulae and the recommendations made by its own contractor relative to the proposed changes. In addition, MMS proposes that designated applicants for more than one lease, permit, or right of use and easement (RUE) "... are required to demonstrate the highest amount of offshore financial responsibility that applies to any one of them." MMS has provided a table (page 14061) in order to clarify the applicable amounts of financial responsibility under such circumstances. The dollar amounts in the table are based upon the "Spillcalc" element of the MMS General Purpose Environmental Cost Model (GPECM), with some slight modification. Copies of these important support documents have been requested from the MMS for thorough analysis, but the time delay in receiving the materials could put industry at a disadvantage in meeting the original June 23, 1997 public comment deadline.

Mr. Bob Armstrong
Page Two
May 1, 1997

Aside from the issue of availability of supporting documents and reports, it is clear that the MMS could clarify several important issues during a public meeting with the regulated community and other interested parties. Therefore, as part of this extension request, industry is additionally recommending that a public meeting or a series of public meetings (similar to what the MMS organized in 1993/1994 as part of the ANPRM on the offshore financial responsibility issue) be organized immediately and held well in advance of the close of the public comment period for this rulemaking. We expect that through such meetings, issues that appear to be contentious now, can be favorably resolved through a simple explanation or clarification by MMS staff. This activity should reduce the overall number of comments that industry would formally submit by the close of the public comment period.¹ In addition, via the public meetings, the universe of smaller producers and pipeline companies, likely unaware of the potential impacts of this rulemaking, could be appropriately included in the regulatory process.

It is our understanding that MMS is considering an extension to the public comment period for this notice. An additional 90-days, including a public meeting (or series of meetings) is essential for the regulated community to provide adequate and thoughtful response on a number of key issues as envisioned by the MMS in the notice. We appreciate your prompt consideration of this request.

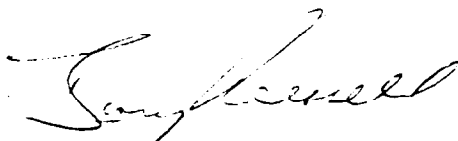
Very truly yours,



Ronald L. Jones
Vice President
American Petroleum Institute



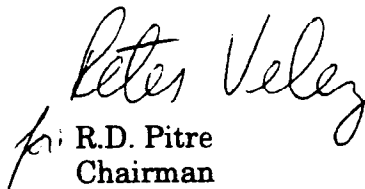
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¹ For example, clarification of the terms "net value of identifiable net assets" and "unencumbered" net assets would be very helpful.